GOVERNMENT OF INDIA
POWER
LOK SABHA

STARRED QUESTION NO:427
ANSWERED ON:24.08.2000
IMPACT OF POWER SHORTAGE ON INDIAN ECONOMY
DUKHA BHAGAT

Will the Minister of POWER be pleased to state:

(a) whether there is a negative impact on the Indian economy due to power shortage; and

(b) if so, the details of the impact and the efforts made by the Government to solve the power shortage?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : A Statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) & (b) OF STARRED QUESTION NO. 427 TO BE ANSWERED IN THE LOI SABHA ON 24.8.2000 REGARDING IMPACT OF POWER SHORTAGE ON INDIAN ECONOMY.

(a) & (b) : Energy is an essential input for economic development and power shortages may have negative impact on Indian economy. However, there has been significant growth in the power sector in the past over fifty years. The installed generating capacity has increased from about 1350 MW in 1947 to over 99,000 MW as on 31st July, 2000. Similarly, energy generation in the country almost doubled within a span of last 10 years from 245.4 Billion Units (BU) during 1989-90to 480 BU during 1999-2000. Though the growth in Power Sectorhas been quite impressive, it has not kept pace with growing demand. Energy shortage during the year 1999-2000 was of the order of 6.2% and peak deficit of 12.4%. Various State Governments impose restrictions and power cuts on industry and agriculture sectors especially during peak hours. In spite of these constraints, Indian Economy as a whole has generally shown positive growth rate. According to Economic Survey 1999-2000, annual average growth of gross domestic product has been positive except in the years 1957-58, 1965-66, 1972-73 and 1979-80.

In order to bridge the gap between demand and supply of power in the country, following short-term and long-term measures have been taken by the Government:-

Short-term Measures

(i) Facilitating Inter-Regional transfer of power by establishing the necessary transmission network.

(ii) Renovation and Modernisation and life extension of existing old units of thermal and hydro power stations to maximise generation.

(iii) Implementation of short-gestation power projects.

(iv) Demand side Management.

(v) Reduction in Transmission and Distribution losses by implementing various measures.

Long-term Measures

(i) Promoting private sector participation in power sector.

(ii) Formulation of Hydel Policy in August, 1998 for exploitation of hydro-potential at a faster pace, and promoting small and mini hydel projects.

(iii) Strengthening of transmission and distribution system and improving reliability of the system.

(iv) Reforms and restructuring of the power sector.

(v) Promoting energy efficiency and conservation.

(vi) Formulation of revised guidelines in November, 1998 for setting up of Mega Power Projects to facilitate settingup of large sized generation plants in the country.